

Message Text

UNCLASSIFIED

PAGE 01 WELLIN 04829 112220Z
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 OES-09 DOE-15 SOE-02 /047 W
-----082333 120623Z /17

R 110614Z SEP 78
FM AMEMBASSY WELLINGTON
TO SECSTATE WASHDC 6210
INFO USDOC WASHDC
AMEMBASSY CANBERRA
AMCONSUL SYDNEY

UNCLAS WELLINGTON 04829

CANBERRA FOR RESOURCES OFFICER

E.O.11652:N/A
TAGS: BENC, ENRG, NZ
SUBJECT: MAJOR PROJECT - GNZ OWNED PETROLEUM CORPORATION
PLANS PETROCHEMICAL PLANT.

1. SUMMARY. A MAJOR DEVELOPMENT IN GNZ ENERGY POLICY HAS OCCURED WITH THE GOVERNMENT'S ACCEPTANCE OF A PROPOSAL BY ITS PETROLEUM CORPORATION (PETROCORP) TO BUILD A UREA AND AXVONIA PLANT AT KAPUNI USING NATURAL GAS FROM THE NEARBY MAUI FIELD AS FEEDSTOCK. COST OF THE PROJECT IS ESTIMATED AT NZ DOLLARS 60 MILLION. END SUMMARY.

2. THE UREA AND AMMONIA PLANT IS NEW ZEALAND'S FIRST VENTURE INTO THE PETROCHEMICAL FIELD. THE PLANT IS TO BE DEVELOPED AT A CAPITAL COST OF NZ DOLLARS 60 MILLION OVER TWO AND A HALF YEARS. IT WILL BE CAPABLE OF PRODUCING 90,000 TONNES OF UREA AND 160,000 TONNES OF AMMONIA ANNUALLY. THE PLANT IS EXPECTED TO MEET THE NEEDS OF THE DOMESTIC MARKET AND THEREBY SAVE NZ DOLLARS 20 MILLION PER YEAR IN FOREIGN EXCHANGE. UREA, AS WELL AS BEING A VALUABLE PRODUCT FOR THE AGRICULTURAL SECTOR, IS ALSO THE PRINCIPAL INGREDIENT IN RESINS USED BY THE PLYWOOD AND PARTICLE BOARD INDUST-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 WELLIN 04829 112220Z

RIES. AMMONIA IS USED IN A VARIETY OF FORMS IN AGRICULTURE.

3. THE MAIN CONTRACT FOR THE SUPPLY OF PLANT HAS BEEN AWARDED TO CAPITAL PLANT INVESTMENTS OF GREAT BRITAIN AND FISH ENGINEERING AND CONSTRUCTION OF HOUSTON, TEXAS. ACCORDING TO A PETROCORP OFFICIAL THE USUAL GNZ TENDERING PROCEDURE OF WIDELY DISSEMINATING INFORMATION ON TENDERS

WAS NOT ADHERED TO IN THIS CASE BECAUSE THE FIRMS TO WHOM THE CONTRACTS WERE AD HAVE BEEN INVOLVED IN THE DEVELOPMENT OF THE PROJECT FROM THE INITIAL STAGES. TENDERS FOR THE SUPPLY OF FURTHER EQUIPMENT WILL BE CALLED IN THE NEXT NINE MONTHS ND THESE WILL BE OPEN TO BIDS FROM ALL SOURCES. POST HOPES TO MAKE ARRANGEMENTS TO BE ALERTED PRIOR TO THE CALLING OF TENDERS AND WILL ADVISE USDOC ACCORDINGLY.

4. MANY INDIVIDUAL FIRMS AND CONSORTIUMS HAVE OVER RECENT YEARS MADE SUBMISSIONS TO GNZ WITH PROPOSALS FOR SETTING UP A PETROCHEMICALS INDUSTRY BASED ON MAUI GAS. HOWEVER, ALL THESE PRIVATE ALTERNATIVES IN THE MEANTIME HAVE BEEN SHELVED BY GNZ, BECAUSE, ACCORDING TO PETROCORP, THEY WERE NOT CONSIDERED ATTRACTIVE. PETROCORP ADVISE, HOWEVER, THAT THERE ARE POSSIBILITIES OF FUTURE PETRO-CHEMICAL DEVELOPMENTS BASED ON MAUI GAS, YET TO BE ANNOUNCED, WHICH MAY INVOLVE PRIVATE ENTERPRISE. WE WILL BE REPORTING THESE IN DUE COURSE AS THEY DEVELOP AND COVERING THE SUBJECT IN SPECIAL EFFORT NUMBER I OF OUR CURRENT CAP. SELDEN

UNCLASSIFIED

NNNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHEMICALS, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978WELLIN04829
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780381-1163
Format: TEL
From: WELLINGTON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780979/aaaacnqa.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9778e852-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1476423
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT - GNZ OWNED PETROLEUM CORPORATION PLANS PETROCHEMICAL PLANT.
TAGS: BENC, ENRG, NZ
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/9778e852-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014